

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03511A
Navajo Water Co., Inc.
PO Box 82218
Bakersfield, CA 93380

RECEIVED

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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4-14-11

COMPANY INFORMATION

Company Name (Business Name) Navajo Water Co., Inc.			
Mailing Address P.O. Box 82218			
(Street)		CA	93380
Bakersfield	(City)	(State)	(Zip)
(800) 270-6084 or (661) 633-7526		(800) 748-6981	
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address CustomerServiceCenter@brookeutilities.com			
Local Office Mailing Address 9079 Riverside Drive			
(Street)		AZ	85344
Parker	(City)	(State)	(Zip)
(928) 667-3336		(928) 661-2527	
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address DavidA@brookeutilities.com			

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: Robert T. Hardcastle President			
(Name)		(Title)	
P.O. Box	Bakersfield	CA	93380
(Street)	(City)	(State)	(Zip)
(661) 633-7526		(800) 748-6981	
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address RTH@brookeutilities.com			
On Site Manager: David Allred			
(Name)			
9079 Riverside Drive	Parker	AZ	85344
(Street)	(City)	(State)	(Zip)
(928) 667-3336		(928) 667-2527	
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address DavidA@brookeutilities.com

Statutory Agent: Robert T. Hardcastle

(Name)

P.O Box 82218

Bakersfield

CA

93380

(Street)

(City)

(State)

(Zip)

(661) 633-7526

(800) 748-6981

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Jay Shapiro with Fennemore Craig

(Name)

3003 N. Central Ave. Ste. 2600

Phoenix

AZ

85012

(Street)

(City)

(State)

(Zip)

(602) 916-5000

(602) 916-5566

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address JLShapiro@fclaw.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)



C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)



Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:



APACHE



COCHISE



COCONINO



GILA



GRAHAM



GREENLEE



LA PAZ



MARICOPA



MOHAVE



NAVAJO



PIMA



PINAL



SANTA CRUZ



YAVAPAI



YUMA



STATEWIDE

COMPANY NAME Navajo Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,050		10,050
304	Structures and Improvements	11,511	7,819	3,692
307	Wells and Springs	12,778	11,696	1,082
311	Pumping Equipment	100,587	36,396	64,191
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	60,347	49,342	11,005
331	Transmission and Distribution Mains	123,642	105,041	18,601
333	Services	47,963	43,756	4,207
334	Meters and Meter Installations	43,327	22,346	20,981
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,708	344	1,364
347	Miscellaneous Equipment			
348	Other Tangible Plant	7,648	2,567	5,081
	TOTALS	419,561	279,307	140,254

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME Navajo Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,050	0.00%	
304	Structures and Improvements	11,511	2.68%	309
307	Wells and Springs	12,778	2.68%	343
311	Pumping Equipment	100,587	2.58%	2,598
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	60,347	2.68%	1,620
331	Transmission and Distribution Mains	123,642	2.68%	3,319
333	Services	47,963	2.68%	1,287
334	Meters and Meter Installations	43,327	2.68%	1,162
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,708	2.69%	46
347	Miscellaneous Equipment			
348	Other Tangible Plant	7,648	2.68%	205
	TOTALS	419,561	2.60%	10,889

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	57,533	12,723
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 57,533	\$ 12,723
	FIXED ASSETS		
101	Utility Plant in Service	\$ 411,936	\$ 419,561
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(268,418)	(279,307)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 143,518	\$ 140,254
	TOTAL ASSETS	\$ 201,051	\$ 152,977

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	6,428	6,428
272	Less: Amortization of Contributions	(206)	(412)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 6,222	\$ 6,016
	TOTAL LIABILITIES	\$ 6,222	\$ 6,016
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 58,300	\$ 58,300
211	Paid in Capital in Excess of Par Value	211,263	211,263
215	Retained Earnings	(74,734)	(122,602)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 194,829	\$ 146,961
	TOTAL LIABILITIES AND CAPITAL	\$ 201,051	\$ 152,977

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 108,219	\$ 106,448
460	Unmetered Water Revenue		
474	Other Water Revenues	2,671	3,756
	TOTAL REVENUES	\$ 110,890	\$ 110,204
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 5,270	\$ 14,785
610	Purchased Water		
615	Purchased Power	7,889	7,914
618	Chemicals		
620	Repairs and Maintenance	3,262	3,723
621	Office Supplies and Expense		
630	Outside Services	24,194	200
635	Water Testing	2,615	2,350
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life	198	946
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	48,707	63,892
403	Depreciation Expense	10,536	10,889
408	Taxes Other Than Income		
408.11	Property Taxes	7,150	4,367
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 109,821	\$ 109,066
	OPERATING INCOME/(LOSS)	\$ 1,069	\$ 1,138
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		(49,000)
427	Interest Expense	(35)	(5)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (35)	\$ (49,005)
	NET INCOME/(LOSS)	\$ 1,034	\$ (47,867)

COMPANY NAME Navajo Water Co., Inc.
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SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$ 2,590</u>
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Meter Deposits Refunded During the Test Year	<u>\$ 306</u>
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COMPANY NAME Navajo Water Co., Inc.

Name of System: Laguna Estates Water System **ADEQ Public Water System Number:** PWS 09-000

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-646524	5	26.3	290	6	1	Unknown

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	2,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Navajo Water Co., Inc.

Name of System: Laguna Estates Water System **ADEQ Public Water System Number:** PWS 09-000

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	7498
5		
6	PVC	1310
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	31
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

None

STRUCTURES:

1- 70 X 120 chain link fence

OTHER:

1- remote tank monitoring device

Signs

COMPANY NAME Navajo Water Co., Inc.

Name of System: Summer Pines Water System **ADEQ Public Water System Number:** PWS 09-030

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-623894	3	13.6	290	6	1	Unknown
55-623891	10	24.5	565	8	2	1967

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	None	None
7.5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	2,500	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Navajo Water Co., Inc.
Name of System: Summer Pines Water System ADEQ Public Water System Number: PWS 09-030

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2			5/8 X 3/4	220
3			3/4	
4	ABS	40,330	1	
5			1 1/2	
6			2	
8			Comp. 3	
10			Turbo 3	
12			Comp. 4	
			Turbo 4	
			Comp. 6	
			Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

None

STRUCTURES:

1- 8 X 9 well building

80 X 115 chain link fence

OTHER:

1- T100G remote tank monitoring device

Signs

COMPANY NAME Navajo Water Co., Inc.
Name of System: Chaparral Pines Water System ADEQ Public Water System Number: PWS 09-039

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-601671	5	38	295	6	1	1982

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	1,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Navajo Water Co., Inc.
Name of System: Chaparral Pines Water System ADEQ Public Water System Number: PWS 09-039

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2			5/8 X 3/4	79
3			3/4	
4	ACP, PVC	7990	1	
5			1 1/2	
6			2	
8			Comp. 3	
10			Turbo 3	
12			Comp. 4	
			Turbo 4	
			Comp. 6	
			Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

None

STRUCTURES:

1- 10 X 16 well building

49 X 92 chain link fence

OTHER:

1- remote monitoring device

Signs

COMPANY NAME Navajo Water Co., Inc. **YEAR ENDING 12/31/2010**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 4,417.28

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

—

—

—

—

COMPANY NAME: Navajo Water Co., Inc.
Name of System: Laguna Estates Water System ADEQ Public Water System Number: PWS 09-000

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	24	148	149	
FEBRUARY	24	91	92	
MARCH	24	100	102	
APRIL	24	102	105	
MAY	25	118	119	
JUNE	25	157	160	
JULY	24	156	160	
AUGUST	24	130	133	
SEPTEMBER	24	157	159	
OCTOBER	25	95	96	
NOVEMBER	22	96	97	
DECEMBER	22	96	97	
TOTALS →		1,446	1,469	None

What is the level of arsenic for each well on your system? .002 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Navajo Water Co., Inc.
Name of System: Summer Pines Water System ADEQ Public Water System Number: PWS 09-030

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	207	592	594	
FEBRUARY	204	400	404	
MARCH	203	542	543	
APRIL	205	1,107	1,111	
MAY	208	1,195	1,199	
JUNE	208	891	899	
JULY	211	1,027	1,030	
AUGUST	209	691	693	
SEPTEMBER	210	778	780	
OCTOBER	207	543	544	
NOVEMBER	208	498	498	
DECEMBER	207	365	366	
TOTALS →		8,629	8,661	None

What is the level of arsenic for each well on your system? .003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Navajo Water Co., Inc.
Name of System: Chaparral Pines Water System ADEQ Public Water System Number: PWS 09-039

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	77	201	202	
FEBRUARY	76	133	133	
MARCH	77	176	178	
APRIL	77	230	231	
MAY	76	301	303	
JUNE	78	576	577	
JULY	78	625	629	
AUGUST	78	415	416	
SEPTEMBER	79	393	394	
OCTOBER	79	406	407	
NOVEMBER	79	242	245	
DECEMBER	79	196	196	
TOTALS →		3,891	3,911	None

What is the level of arsenic for each well on your system? .0064 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Navajo Water Co., Inc.
Name of System: Laguna Estates Water System ADEQ Public Water System Number: PWS 09-000

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			0	
FEBRUARY			0	
MARCH			0	
APRIL			1	
MAY			1	
JUNE			0	
JULY			0	
AUGUST			1	
SEPTEMBER			1	
OCTOBER			0	
NOVEMBER			1	
DECEMBER			0	
TOTALS →		None	5	None

OTHER (description):

COMPANY NAME: Navajo Water Co., Inc.
Name of System: Summer Pines Water System ADEQ Public Water System Number: PWS 09-030

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		2	
FEBRUARY		0	
MARCH		1	
APRIL		1	
MAY		2	
JUNE		3	
JULY		2	
AUGUST		1	
SEPTEMBER		0	
OCTOBER		0	
NOVEMBER		2	
DECEMBER		1	
TOTALS →	None	15	None

OTHER (description):

COMPANY NAME: Navajo Water Co., Inc.
Name of System: Chaparral Pines Water System ADEQ Public Water System Number: PWS 09-039

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		1	
FEBRUARY		0	
MARCH		0	
APRIL		0	
MAY		3	
JUNE		2	
JULY		0	
AUGUST		3	
SEPTEMBER		3	
OCTOBER		1	
NOVEMBER		2	
DECEMBER		0	
TOTALS →	None	15	None

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
APR 11 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF California

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	Kern
NAME (OWNER OR OFFICIAL) TITLE	Robert T. Hardcastle
COMPANY NAME	Navajo Water Co., Inc.

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

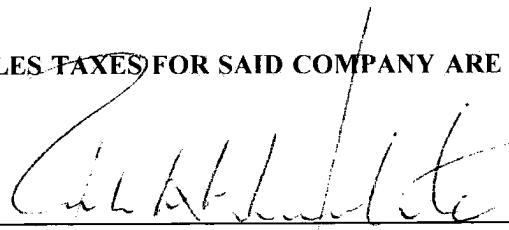
MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(661) 633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

(SEAL)

*See attached
April 12.*

COUNTY NAME	Kern
2011	

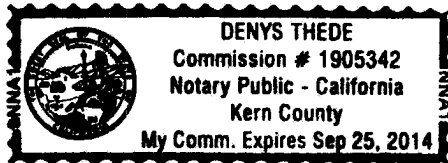
SIGNATURE OF NOTARY PUBLIC

Jurat

State of California

County of Kern

Subscribed and sworn to (or affirmed) before me on this 12th day of April, 2011, by Robert T. Hardcastle, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



A handwritten signature in cursive script, written over a horizontal line. The signature appears to read "Robert T. Hardcastle".

COMPANY NAME Navajo Water Co., Inc.

YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 8,849
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported 15,658
Estimated or Actual State Tax Liability _____

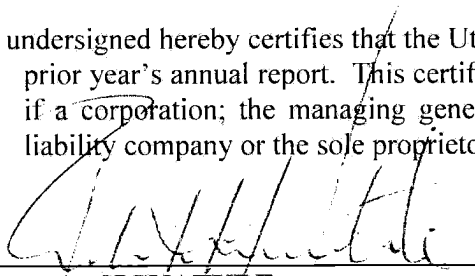
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-12-11

DATE

Robert T. Hardcastle

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 11 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Kern
NAME (OWNER OR OFFICIAL) TITLE	Robert T. Hardcastle
COMPANY NAME	Navajo Water Co., Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

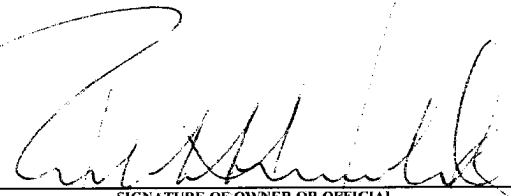
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 117,567

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7,363
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(661) 633-7526
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

	DAY OF	COUNTY NAME
	MONTH	Kern
	2011	

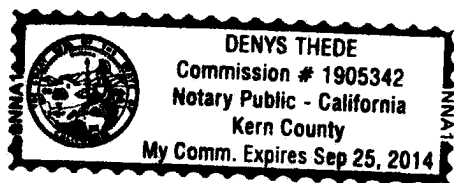
*See attached
April 12, 2011*

Jurat

State of California

County of Kern

Subscribed and sworn to (or affirmed) before me on this 12th day of April, 2011, by Robert T. Hardcastle, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



A handwritten signature in black ink, appearing to read 'Robert T. Hardcastle', written over a horizontal line.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
2011-04-07
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Kern</u>	
NAME (OWNER OR OFFICIAL) <u>Robert T. Hardcastle</u>	TITLE <u>President</u>
COMPANY NAME <u>Navajo Water Co., Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

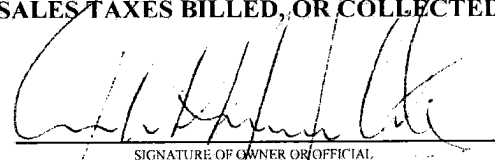
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>113,811</u>
--

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7,363
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
(661) 633-7526
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

NOTARY PUBLIC NAME	
COUNTY NAME <u>Kern</u>	
MONTH <u>20</u>	<u>11</u>

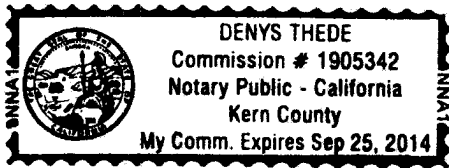
*see attached
April 10, 2011*

Jurat

State of California

County of Kern

Subscribed and sworn to (or affirmed) before me on this 12th day of April, 2011, by Robert T. Hardcastle, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



A handwritten signature in cursive script, appearing to read 'Robert T. Hardcastle', written over a horizontal line.